



CENTRAL INTELLIGENCE AGENCY

WASHINGTON 25, D. C.

OFFICE OF THE DIRECTOR

25 August 1961

Following MEMORANDUM ON QUADROS' RESIGNATION; PREPARED BY CIA:

1. Quadros' attentions to ~~the~~ Che Guevara and Gagarin, and more generally his manifest tendencies to draw closer to the Bloc, have aroused strong expressions of disapproval from the Army and from conservative elements in Brazil. We think it likely that he resigned in the expectation of provoking a strong manifestation of popular support, in response to which he would return to office in a better position against his opponents. (Fidel Castro resigned once for this purpose, and Peron *more* than once.) Although the higher ranks of the Army dislike Quadros, they would probably not block his return in such circumstances.

2. If Quadros does not come back, we believe that the next government will follow conservative though nationalist policies, because the Army will not tolerate anything else.

3. Vice President Goulart, the constitutional successor, had just left by sea from Communist China, and will not be on hand for at least a few days. He is strongly leftist, and the Army would be unlikely to allow him to exert real control of Brazilian policy.

4. The possibility of trouble in Brazil, due to Quadros' flirtation with the Bloc and his tendency to hasty and dramatic action, has been recognized for some time;

50X1

50X1

CONFIDENTIAL

Page Denied